Bank, but our actual realisation is expected to be Rs. 1·17 lakhs. In the past, our surplus cash used to remain unemployed in the State Treasuries, but from last year we are investing it as short-term deposits in the Imperial Bank. It may be pointed out that the total amount of interest we now realise annually on our surplus investments amounts to about Rs. 4½ lakhs. This is exclusive of the interest on our investments in Sinking Funds, which goes to the credit of the Funds themselves.

We had estimated a receipt of Rs. 1 lakh under Railways. In my speech last year, I stated that if the improvement in railway receipts which was noticed in the second half-year ending with 31st March 1924 were maintained, we might expect to receive this year a sum of Rs. 2½ lakhs as our share of the net surplus. I am glad to inform the House that this forecast has proved correct. The net profits due to us for the year ended 31st March 1925 is Rs. 2·52 lakhs. Of this, we have already realised the profits declared for the first half-year, *viz.*, Rs. 1·19 lakhs and it is hoped that the balance will be received before the close of the current year.

Expenditure.

On the expenditure side, there is a total increase of Rs. 2·21 lakhs in the revised estimate. The most important variation occurs under the head "Palace", which I have already explained. As usual, we had provided a sum of Rs. 1 lakh for His Highness the Maha Raja's Tours outside the State. This provision is expected to lapse. The only other noteworthy variation is the reduction of a sum of Rs. 1·10 lakhs in the expenditure on Education. This is distributed among all the minor heads except "Controlling Agencies" under which there is a slight increase.

Budget Estimates of 1101.

For the next year, we are budgeting for a revenue of Rs. 206·81 lakhs and an expenditure of Rs. 203·02 lakhs, which will leave a surplus of Rs. 3·79 lakhs at the close of the year.

Revenue.

The total revenue is expected to exceed the receipts of the current year by only Rs. 1·26 lakhs. Under Land Revenue, the normal revenue is expected to be realised in addition to what may remain uncollected at the close of this year. Income Tax receipts are estimated at Rs. 1·26 lakhs below the receipts of the current year. There is an element of uncertainty about this tax as it depends to a considerable extent on the improvement of trade and on the unceasing vigilance of the collecting agency. Hence I think it will be safer to estimate for a slight fall under this head. Under Excise, the gross revenue for 1101 is placed at Rs. 46·05 lakhs as against the revised estimate of Rs. 44·83 lakhs. Towards this, tobacco is expected to contribute Rs. 19·12 lakhs and Abkari and Opium Rs. 26·93 lakhs. The additional revenue is expected mainly under the new item "Rebate of duty on Opium",

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As a result of the negotiations carried on with the Madras Government, that Government have agreed to pay to Travancore the entire duty on the opium consumed in the State after deducting a centage of Re. 1 per seer to cover the approximate charges for freight, etc., incurred by them in obtaining and stocking the drug in Madras. This arrangement has come into effect from 1st April 1925 and our estimate of the rebate for the next year is about Rs. 1·20 lakhs. The estimate under Railways is mainly a matter of conjecture. We have not yet received an estimate from the Railway Company; but on the experience of the current year and last year, the budget estimate has been fixed at Rs. 2 lakhs. I hope we shall not be far out in our calculation.

EXPENDITURE.

Against an anticipated revenue of Rs. 206·81 lakhs, the original estimate of the established charges was Rs. 199·09 lakhs. The Government considered altogether about 100 schemes, large and small, with the help of the Finance Committee, and in the result provided for an additional expenditure of Rs. 3·93 lakhs. Reference to these will generally be found as footnotes in the printed budget. The Land Revenue Department comes in for the largest share of such additional allotment, but it is mainly for the continuance of the existing schemes. A provision of Rs. ·06 lakh is made for the continuance of the Puduval Survey operations till the end of Makaram 1101. A special survey class is proposed to be opened at Trivandrum to train up men in chain and theodolite survey, and for this a sum of Rs. ·03 lakh is provided.

In regard to that much-discussed scheme, *viz.*, Land Records Maintenance, Government do not propose to continue the work on the present lines beyond Tulam 1101. It is recognised that the scheme as now worked has certain serious defects and it is looked upon with considerable disfavour by the general public. Government therefore would like to introduce a revised scheme which will be generally acceptable. This will require funds over and above the amount provided for the first three months and accordingly an additional provision of Rs. ·66 lakh is made. The non-official members of the Legislative Council will be requested to select gentlemen from among themselves to help the Land Revenue Commissioner in drawing up a revised scheme. This matter will be further explained by my friend Mr. Robinson.

In the Judicial Department provision is made for the continuance of the third Bench in the High Court as well as the temporary Judges' and Munsiffs' Courts. The expenditure on this account is about Rs. 1 lakh. It is proposed also to continue the temporary Sirkar Vakils throughout 1101 for which a sum of Rs. ·06 lakh is provided.

Under *Jails* an extra allotment of Rs. ·05 lakh is made for the purchase of a few fly-shuttle looms and other weaving plant with a view to develop the resources of the Central Prison and to give the convicts practical training in improved methods of weaving.

Police receives an addition of Rs. ·10 lakh. Of this, Rs. ·07 lakh is for increasing the strength of the Trivandrum Town Police by 5 Head constables and 50 constables.

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Education gets Rs. ·33 lakh, chiefly under Collegiate Education for opening the Philosophy Group in His Highness the Maharaja's College of Arts and the Mathematics Honours Course in the College of Science. It became necessary also to appoint additional staff in the College of Science to cope with the increase of strength in the classes. The present office staff of the Director of Public Instruction being reported to be inadequate, it is proposed to increase it by four clerks and one typist.

Under *Agriculture* a sum of Rs. ·08 lakh is provided for various minor schemes, the chief of which are the continuance of the Experimental Farm opened at Porakad and the opening of a fish-curing yard at Colachel.

Industries receives on the whole Rs. ·45 lakh. Of this, Rs. ·11 lakh is for the purchase of machinery and other contingent expenditure of the Technological Institute, Trivandrum. A lump sum of Rs. ·30 lakh is provided for schemes of industrial development. It seems to Government that we shall be making a serious mistake if we expend our energy and resources for the development of the factory industries in Travancore. Our industrial efforts might with advantage be directed towards the development and creation of cottage industries. The lump provision of Rs. ·30 lakh is a first modest step in this direction.

Under *Medical and Sanitary*, there is an additional provision of Rs. ·24 lakh. The more important items are the opening of a new Dispensary at Vidurai, the institution of anti-rabic treatment in the General Hospital, the appointment of 14 trained Indian nurses in the various hospitals of the State and the provision of additional apparatus for the Bacteriological Department.

The Co-operative Department receives Rs. ·22 lakh. It is proposed to confirm the present 7 temporary Inspectors. An additional temporary staff consisting of 7 Inspectors will also be entertained to cope with the large increase in the volume of work. At the close of 1099 the number of Co-operative Societies registered was 757. An impetus to the movement was given by the employment, by Government, of Co-operative Societies for the distribution of loans in flood-affected areas. By this as well as by the regular propaganda work of the department, the number of societies registered up to date has increased to over one thousand. The Registrar has estimated that a minimum staff of 20 Inspectors will be necessary to supervise the work of these societies. The sanctioned staff now consists of only 6 permanent and 7 temporary Inspectors. The proposal is to raise it to 13 permanent and 7 temporary Inspectors, thus making a total of 20 Inspectors. One of them is now working in the Central Co-operative Bank and he will be continued there for another year. It is also proposed to strengthen the office staff of the Registrar by the addition of 4 clerks, 1 Typist and 1 Peon. A sum of Rs. ·05 lakh is provided for the purpose of subsidising Supervising Unions and another allotment of Rs. ·02 lakh is made for travelling allowance to Honorary Co-operative Organisers and for contributions towards Co-operative Conferences.

Under *Public Works* the total allotment is Rs. 29·40 lakhs. This is about Rs. 2·75 lakhs below the expenditure of the current year which

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is due to the fact that the latter includes a sum of about Rs. 3 lakhs on account of expenditure on flood restoration works. Of the provision of Rs. 29·40 lakhs, Rs. 3·34 lakhs is for buildings, Rs. 15·22 lakhs for communications, Rs. 1·06 lakhs for lighting, water-supply and other miscellaneous public improvements in non-municipal areas and Rs. 1·39 lakhs is for protective or minor irrigation works. Establishment and Tools and Plant together cost Rs. 5·58 lakhs. A sum of Rs. 1 lakh is provided for the completion of His Highness the Maha Raja's Palace which is under construction at Delhi. A sum of Rs. ·40 lakh is provided in the P. W. D. budget, for surveying a railway line to connect our Shencottah-Quilon Railway with the Cochin Railway. The survey has already commenced and it is hoped that it will be completed in the course of the next year. A provision of Rs. ·04 lakh is made for the continuance of the special staff employed in the investigation and execution of minor irrigation work in the Trivandrum Division and a further sum of Rs. ·04 lakh is provided for the carrying on of similar investigations in the Quilon, Kottayam and Alwaye Divisions also.

I have now practically finished what I have to say. But before I conclude, I must refer to one important subject which I think should engage our early attention. I refer to the staggering growth of our expenditure on Education. In 1085, our gross expenditure on Education amounted to Rs. 7·55 lakhs, the receipts to Rs. 1·71 lakhs, and the net expenditure was Rs. 5·84 lakhs. In 1091, our gross expenditure was Rs. 20·03 lakhs and the net expenditure after deducting the receipts was Rs. 15·69 lakhs. For 1101 our gross expenditure is estimated at Rs. 38·9 lakhs, the receipts at Rs. 8·03 lakhs and the net expenditure at Rs. 30·87 lakhs. Thus within the last 16 years, the expenditure on Education has increased by 528 per cent.! This disproportionate growth cannot but be viewed with serious misgivings. Nobody denies the fact that the education of the subjects of a State is of paramount importance to its wellbeing and progress, and expenditure judiciously incurred on it will be repaid several-fold in the increased prosperity of the people. But I am sure the House will agree that a headlong, impetuous career must be checked. Accordingly in this budget Government have provided only just sufficient funds as will enable the department to carry on for the next year and nothing substantial is provided for further development. That is the position it is intended to maintain until we take thought and determine the lines of our Educational policy. It is a grave question and I need hardly assure the House that no decision will be taken without consulting non-official opinion and representative interests.

Sir, I am done. I hope that the House will regard the budget as a satisfactory one. Last year, when I presented the budget it was a time of distress and anxiety. The clouds have since lifted and sunshine has followed. Let me conclude with the hope that the improvement which the budget discloses is neither casual nor transitory but is an earnest of continued financial stability.

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